

Discussion of Economic Relief/Stimulus

and how it applies to you!!

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Payroll Protection Plan Loan

- **Should I apply?**

YES!!!

Payroll Protection Plan Loan

- **Should I apply?**
- **When can I apply?**

April 3rd – June 30th

Sole Proprietors:

April 10th – June 30th

Payroll Protection Plan Loan

- **Should I apply?**
- **When can I apply?**
- **How much can I borrow?**

**2.5 times average monthly “Payroll Costs”
for the calendar year of 2019.**

**If seasonal payroll from 02/15/19-
06/30/2019 divided by 4.5.**

Payroll Protection Plan Loan

- **“Payroll Costs”**
 - **Wages, Overtime, Commissions, Bonuses**
 - **Cash Tips run through Payroll**
 - **Vacation, Family Leave, Sick, PTO**
 - **Severance Pay**
 - **Group Health Benefits (Company Portion)**
 - **Retirement Benefits (Company Portion)**
 - **State & Local Employers’ Taxes**

Payroll Protection Plan Loan

- **Should I apply?**
- **When can I apply?**
- **How much can I borrow?**
- **What do the funds have to be used for?**

Payroll Protection Plan Loan

- **Use of Funds:**
 - **“Payroll Costs”**
 - **Interest on Mortgage Obligations**
 - **Rents (under a valid lease agreement)**
 - **“Covered Utility Payments”:**
 - **Electricity, Gas, Water, Transportation, Telephone and Internet Access.**
 - **Interest on Other Debt Obligations**

Payroll Protection Plan Loan

- **Should I apply?**
- **When can I apply?**
- **How much can I borrow?**
- **What do the funds have to be used for?**
- **How much can be forgiven?**

Payroll Protection Plan Loan

- **Forgiveness:**
 - **Based on Your Spending the 8 Weeks After Getting the Loan Proceeds.**
 - If all proceeds were used on Qualifying expenses... forgiveness could 100%.
 - **Reductions:**
 - 75% of Funds must be used on “Payroll Costs”.
 - FTE as of June 30th Compared to Last Year.
 - Employee Payroll that Drops by 25%
 - **Forgiveness is not Taxable Income!!!!**

Economic Injury Disaster Loan

- **Easy Online Initial Application**
 - **Need:**
 - **Gross Sales from 02/01/2019 – 01/31/2020**
 - **Cost of Goods Sold for the Same Period.**
- **\$10,000 Emergency Grant**
- **Can borrow up to \$200,000**
- **Standard SBA Loan with all documentation**

Expanded FMLA

- **If one of your employees:**
 - **Is quarantined by a doctor**
 - **Has to care for someone at home who is sick**
 - **Is high risk and home as a preventative measure**
- **You must continue to pay them for 2 weeks.**
- **If an employee has to stay home to care for a child out of school, you need to pay them 2/3 pay for 12 weeks.**
- **This money is reimbursed through a payroll tax credit.**

Extension

- All due dates between April 1st and July 15th including both Filing & Payment Deadlines have been changed to July 15th.
 - Personal Returns, Corporate, Trust, Etc.
 - 1st Quarter Estimated Taxes
 - TX Franchise Tax is Extended Until July 15th
- The Employer Matching FICA/Medicare can be deferred until 12/31/2020. The amount of the deferral will be split and 50% will be due on 12/31/2021 and 50% on 12/31/2022.

Net Operating Losses

- **Losses can now be carried back again.**
 - **5 Year Carryback**
- **Losses can also be carried forward at 100% again instead of 80%.**

Thank You!

Q & A